

Official figures obscure rapidly rising joblessness in Australia

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Today's official figures from the Australian Bureau of Statistics (ABS) show that the trend rate of unemployment in April rose from 5.4 percent to 5.5 percent, or from 611,100 to 630,800, although the seasonally adjusted rate fell from 5.7 percent to 5.4 percent. On either measure, the number of jobless workers has risen by more than 30 percent since April 2008.

The real levels of unemployment, under-employment (casual and part-time workers who need more hours to make ends meet) and "hidden unemployment" (those discouraged from seeking work by the rapidly shrinking jobs market) are far higher. The ABS only counts people working less than one hour a week, and the reliability of its monthly surveys has been affected by its own staff cuts, inflicted by the Labor government.

The ABS figures are also a lagging indicator, with an increasing number of job cuts across major sectors yet to be registered. Large companies have announced the destruction of thousands more jobs during March and April in banking, services, mining, construction and manufacturing.

The Rudd Labor government is now countenancing the prospect of a double-digit jobless rate by next year, which would mean more than a million unemployed. Treasurer Wayne Swan told the media last week: "There are no guarantees when you are amidst the most savage global recession since the Great Depression."

Swan's statement came as the International Monetary Fund released a report estimating that Australia's unemployment rate would hit 7.8 percent by 2010. This week, the ANZ Bank predicted a rate of 8.25 percent by next year, after its job advertisement survey reported a fall for the 12th consecutive month in April, taking the total decline to 49.9 percent in 12 months.

According to research by the Australia Institute, for every person officially recorded as unemployed there are some 1.2 people, the "hidden unemployed", who would also like to work and are available to start. That means a true rate of more than 12 percent, or about 1.4 million people. Likewise, the University of Newcastle-based *Centre of Full Employment and Equity* estimated that by February the labour underutilisation rate (unemployment plus underemployment plus hidden unemployment) had jumped from 9.7 percent in November 2008 to 11.2 percent.

Even these calculations do not cover the hundreds of thousands of full-time workers being forced into short-time working as companies cut back hours to slash inventories and costs. The April 18-19 issue of the *Australian Financial Review* reported that "in the six months since September last year the number of people working between 30 and 34 hours a week (a classical four-day week) has risen 59 percent from 754,000 to 1.2 million".

This trend—which can cut workers' pay by 20 percent—provides employers with a reserve army of labour at their beck and call and providing the "flexibility" they have been demanding. Short-time working is fully supported by the Rudd government, with Employment Minister Julie Gillard and Industry Minister Kim Carr urging employers and trade unions to pursue it, regardless of the fact that it means the ripping up of enterprise agreements.

In some cases, workers have been reduced to half-time working. The GM Holden plant in Elizabeth, South Australia has put the majority of its 3,150 workers onto a single-shift, week-on, week-off schedule. Holden once operated three shifts but terminated the night shift at the end of 2005 and slashed the workforce of 5,700 by 1,400. This has been done with the blessing of the government and the unions, on the basis that short-time working is preferable to being flung out of work. But no matter what concessions workers make, they will not halt the wave of job destruction.

A recent survey by the Australian Mines and Metal Association (AMMA) showed that 55 percent of mining companies had “locked in” job cuts while 20 percent said they were “highly probable”. At the same time, the AMMA estimated that 12,500 mining jobs had already been lost over a three month period. Similarly, the NSW Business Chamber reported that 25 percent of small and medium businesses in NSW expect to shed staff within the next three months. One in four of the 450 companies surveyed said they had already reduced their workforce in the first three months of this year. The Master Builders Association said 40 percent of building companies in country Victoria expected to lay off staff in the next 12 months.

In major working class areas, the official jobless rate has already moved into, or is rapidly approaching, double digit figures. The most recently available ABS regional jobs market figures, for the December quarter, show that in the northern Melbourne area of Broadmeadows, the rate stood at 9.3 percent. Broadmeadows has suffered continuous downsizing by Ford Australia and other manufacturers. Other areas of Victoria hard hit were outer Ballarat Central and South Ballarat, where the rates stood at 8.1 percent and 8.8 percent respectively.

In the Western Sydney suburbs, Blacktown West’s rate was 13.2 percent, Auburn’s 9.1 percent, and Fairfield’s 8.1 percent. Elsewhere in NSW, Wyong on the Central Coast had a rate of 8.8 percent. The Illawarra region, on the South Coast, where steel production and mining has been decimated over three decades, registered 9.1 percent.

In the working class outer Brisbane suburbs of Inala, Woodridge and Acacia Ridge the rate was 10.5 percent, 13.6 percent and 10.2 percent respectively. In northern Queensland, Cairns’ central suburbs were hit by the faltering tourism industry, with a rate of 13.1 percent. The Tourism Transport Forum last month warned that as many as 29,000 tourism jobs could be lost nationally Australia because of the global downturn.

Adelaide, the South Australian capital, has been severely affected by manufacturing job-shedding, including the closure of the sole remaining Mitsubishi plant and the destruction of jobs at the GM Holden plant in Elizabeth. In Playford Elizabeth and Playford West Central, near the Holden plant, the rates were 17.8 percent and 14.7 percent respectively. Adelaide Central’s rate was 8 percent and Port Adelaide Enfield’s 10.8 percent.

Large companies in nearly every sector of the economy have announced job cuts or laid off workers over the past month. They include **Qantas**, which announced it would slash 500 management and 1,250 full-time operational jobs. **BankWest**, now owned by the Commonwealth Bank, said it would cut 400 jobs, while **PMP** will slash 67 jobs from its printing division in Clayton, Melbourne.

Mining company **Rio Tinto** axed 600 jobs at the alumina refinery in Gladstone and 100 at its cut bauxite mine in Weipa, and 360 jobs were lost at mining services company **Macmahon** in Queensland. **Lihir Gold** cut 200 jobs at its gold mine in Ballarat, and mineral sands miner **Iluka Resources** axed 135 jobs in Western Australia. Mining equipment manufacturer **Caterpillar** cut 280 jobs at its Ulverstone plant in Tasmania, while **Nyrstar** announced it would cut 60 jobs at its zinc smelter in Hobart.

Appliance retailer **Kleenmaid** cut 150 jobs, **Carter Holt Harvey** will shed 90 jobs at its Nangwarry plywood mill in South Australia, dairy group **Fonterra** will eliminate up to 140 jobs at its Perth plant, and 170 jobs will go with the closure of **Melba Textiles** in Victoria.

The Rudd government’s own “razor gang,” led by Finance Minister Lindsay Tanner, is contributing to the emergence of mass unemployment. The Immigration Department is abolishing 700 positions from 100 locations across the country and the ABS is axing 180 jobs.



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